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Attorneys for Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

** All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)

Chapter 11

(Lead Case) (Jointly Administered)

**DECLARATION OF PAUL H. ZUMBRO
IN SUPPORT OF DEBTORS' MOTION
PURSUANT TO BANKRUPTCY CODE
SECTIONS 105(a) AND 107(b) AND
BANKRUPTCY RULE 9018 FOR ENTRY
OF AN ORDER AUTHORIZING THE
FILING UNDER SEAL OF CERTAIN
EXIT FINANCING FEE LETTERS**

[No Hearing Requested]

1 Pursuant to 28 U.S.C. § 1746, I, Paul H. Zumbro, hereby declare under penalty of
2 perjury as follows:

3 1. I am a partner of the law firm of Cravath, Swaine & Moore LLP, a New York law
4 firm with offices at 825 Eighth Avenue, New York, New York 10019. I am admitted to practice in
5 the State of New York and am also admitted to practice before this Court *pro hac vice*. (See Docket
6 No. 122.)

7 2. I submit this Declaration in connection with the motion, dated May 24, 2020 (the
8 “**Motion to Seal**”)¹, of PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company
9 (the “**Utility**”), as debtors and debtors in possession (collectively, “**PG&E**” or the “**Debtors**”) in the
10 above-captioned chapter 11 cases (the “**Chapter 11 Cases**”), pursuant to sections 105(a) and 107(b)
11 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rule 9018 of the Federal Rules
12 of Bankruptcy Procedure (the “**Bankruptcy Rules**”), for authority to file the Fee Letters under seal,
13 all as more fully set forth in the Motion to Seal. Unless otherwise stated in this Declaration, I have
14 personal knowledge of the facts set forth herein.
15

16 3. As described in the Disclosure Statement, in order to finance the transactions
17 contemplated by the Plan, the Debtors expect to incur the Exit Financing. The Commitment Letters
18 allow the Debtors to secure lender commitments for the HoldCo Exit Revolver Facility, the Utility
19 Exit Revolver Facility and the Utility Exit Term Facility (each as defined in the Plan Supplement),
20 which are essential components of the Exit Financing. As compensation for arranging, structuring
21 and acting as agent with respect to these financing arrangements, Debtors have or will enter into the
22 Fee Letters, as described in the Motion to Seal.
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27
28 ¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to
them in the Motion to Seal.

1 4. Because the Fee Letters include sensitive and confidential commercial information,
2 the Debtors and the Fee Letter Parties agreed that the Fee Letters would not be publicly disclosed.
3 The Fee Letter Parties have, however, consented to the Debtors filing the Fee Letters under seal with
4 the Court and providing the Fee Letters to the U.S. Trustee and advisors to the Official Committee of
5 Unsecured Creditors, the Official Committee of Tort Claimants and any other official committee
6 established pursuant to section 1102 of the Bankruptcy Code on a confidential and professionals'
7 eyes only basis.
8

9 5. The Fee Letters are the product of arm's length, extensive and good faith
10 negotiations, and due to the commercially sensitive nature of the pricing and economic terms
11 included in each, the public disclosure of the Fee Letters would likely cause substantial harm to the
12 Debtors and the Fee Letter Parties and create an unfair advantage for competitors. Accordingly, the
13 Debtors agreed to keep the Fee Letters confidential. In the competitive lending and investment
14 banking industry, the disclosure of this information would put the Fee Letter Parties at a distinct
15 competitive disadvantage by constraining their ability to negotiate fees and related provisions in
16 future transactions. Further, because exit financings are only a small fraction of all syndicated
17 financings arranged by the Fee Letter Parties, requiring them to disclose certain fee information in
18 this context but not in others could have a "chilling effect" that discourages them and other
19 competitor institutions from providing exit financing on terms favorable to debtors in chapter 11
20 cases. Finally, broad disclosure of the agreed upon and other sealed provisions could jeopardize the
21 Reorganized Debtors' ability to secure lender commitments for future financings, which would be
22 adverse to the Reorganized Debtors and their stakeholders.
23
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25 6. The Court has granted similar relief to the relief sought in the Motion to Seal in
26 respect of other financing fee letters in these Chapter 11 Cases.
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28

1 I declare under penalty of perjury that, to the best of my knowledge and after
2 reasonable inquiry, the foregoing is true and correct.

3 Dated May 24, 2020

4 /s/ Paul H. Zumbro

5 Paul H. Zumbro

6 Partner, Cravath, Swaine & Moore LLP